

2nd Draft
13 Aug 57

DISCUSSION

I. THE CURRENT SITUATION

1. Since the publication of NIE-35/1, "Probable Developments in Indochina through Mid-1952" dated 3 March 1952, there has been no major change in the disposition or relative strength of the French-Indochinese and Viet Minh forces. French-Vietnamese forces engaged in extensive clearing operations in the Tonkin Delta area during the spring months of 1952; since that time seasonal rains have brought a greatly reduced level of combat activity in Tonkin, where _____ Franco-Vietnamese regular troops currently confront an estimated _____ Viet Minh regular troops. Elsewhere in Indochina, the Viet Minh continue to conduct guerrilla warfare and have maintained sufficient pressure against French Union forces to prevent the transfer of those troops to Tonkin. The Viet Minh for the most part still control those large areas of Indochina held at the time of publication of NIE-35/1.

2. The French Union forces have made a slight gain over the Viet Minh in overall combat effectiveness. The increased effectiveness displayed by Viet Minh first line units during the Hoa Binh campaign of early 1952 has not been evident in subsequent operations within the Delta by second-line Viet Minh units. French Union forces are now clearly superior to the Viet Minh in unit fire-power and material, a gain attributable principally to the fact that the flow of Chinese Communist materiel to the Viet Minh has been matched and is now far outweighed by the continued delivery to French Union forces of US M4A1 equipment.

3. Chinese Communist logistic support to the Viet Minh appears to vary from month to month. During the lastquarters of 1951 the Viet Minh are believed to

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have received about 2000 tons of supplies. The flow of assistance fell considerably below this level in the first quarter of 1952, and despite an apparent increase since May 1952, the level of aid has not yet reached that of late 1951. Chinese Communist support appears still to be limited to logistic, technical and advisory assistance except for a few recent border forays by minor Chinese Communist forces. US aid to the French Union forces, in addition to a great qualitative superiority, is now flowing at a quantitative level believed to be approximately times as great as that being given the Viet Minh by the Chinese Communists.*

4. Within Viet Minh-controlled territory, shortage of food appears to be the principal problem facing the regime (DRV, or Democratic Republic of Vietnam), but the Viet Minh is resorting to imports of food from Communist China and rice raids into the Tonkin Delta in order to meet DRV minimum requirements. The Viet Minh is experiencing difficulty in exploiting its manpower potential (approximately 46% of the 2½ million people of Vietnam), but appears to be replacing its combat losses. Viet Minh morale during the present period of relative inactivity is difficult to assess. There have been reports of lowered morale among rank and file Viet Minh military forces, but morale among higher military and political echelons is believed to be good. Whatever the state of morale, effective Communist control

* As of 30 April 1952, a total of about \$347,000,000 had been expended by the US for military aid to Indochina (in addition to \$46,000,000 in economic assistance in FY's 1951 and 1952). Among the items shipped have been 657 combat vehicles, aircraft, 5,565 trucks, 78,713 small arms and automatic weapons (including 1,464 rocket launchers), 1,400 mortars and artillery pieces, 18,000,000 rounds of ammunition of all types, 260,000 rockets and mines, and 3,869 radio sets.

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over Viet Minh-held territory is being maintained. There is in addition no evidence of serious friction between the Viet Minh and the Chinese Communists.

5. Within the Associated States, the only significant change in the political situation has occurred in Cambodia, where political instability has sharply increased in recent months: the Cambodian wartime Premier, Song Nogoc Thank, has denounced the regime and fled in exile; King Norodom Sihanouk has dismissed Premier Huy Kanthoul and has personally assumed direction of the government; and guerrilla activities by the Viet Minh and by dissident tribal groups have continued. Within Vietnam, the most important of the Associated States, a new government headed by Premier Nguyen Van Tam has recently taken office. Thus far there has been no visible improvement in the overall political situation, and at present those factors discussed in NIE-35 which limit the development of a strong Vietnamese government still apply.

II. FRANCO-INDOCHINESE CAPABILITIES AND PROBABLE COURSES OF ACTION

6. If France maintains its present war effort in Indochina, the capability of the French Union forces to resist Chinese Communist military pressure will probably improve slightly during the next year, largely as a result of the assimilation of US MDAP aid and the development of experienced native military units and leadership. Barring a Chinese Communist intervention in force, the French Union forces should be able to hold their present positions during this period and to control the Tonkin Delta area more firmly by the end of 1953. The offensive capability of these forces is not sufficient at present, however, to enable them to gain and maintain effective control over major areas of Viet Minh-held territory, and French Union forces probably will not develop this capability during

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the period of this estimate.

7. We believe that there will be little or no improvement in political strength within the Associated States in the foreseeable future. In Vietnam, the people will probably continue to be apathetic toward the Bao Dai regime. The Vietnamese do not recognize much of a personal stake in the war effort and apparently mistrust French motives more than they recognize any danger from the Communists. An increase in Vietnamese political stability and in public support for the war effort could be expected if the military situation should greatly improve for the French Union forces, and if Premier Tam should be able to carry out his proposed economic and political reforms. No developments now in prospect, however, promise such improvement. Political instability will probably continue in Cambodia. No significant changes are foreseen in Laos, the most isolated and stable of the Associated States.

8. Important as developments within Indochina may be, we believe that future events there will be primarily determined by the capabilities and intentions of metropolitan France. We further believe that France's capabilities and intentions with respect to Indochina will be the result of France's reconciliation of the following conflicting considerations:

a. France is held to its present commitments in the Far East by the immediately active problems of the Indochina engagement, by considerations of prestige, and by concern for the adverse repercussions which the loss of Indochina might entail. Indochina is a major component of the French Union, preservation of which is considered by the French government as essential to

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the maintenance of France as a world power. In particular the French Union serves as a strategic counterbalance to resurgent German power on the continent. In addition, the outright loss of Indochina would weaken the rest of the French Union insofar as it encouraged nationalist ambitions and unrest in other areas. Lastly, in view of the general support which the war has had from all French non-Communist parties, the outright loss of Indochina would have widespread political repercussions within France.

b. On the other hand, the liabilities of Indochina are many. After an exhaustive six year struggle, France now faces the greatly increased costs of the Indochina war at the same time that the once considerable economic assets of Indochina to France have been substantially diminished and the competing demands of NATO rearmament have risen. The financial cost of the war in 1952 represents almost 1/3 of the total French military budget, and the cost in terms of professional military manpower needed for NATO purposes is even more critical. Despite some growth of sentiment in French non-Communist parties favoring withdrawal from Indochina, the war has not as yet become a major political issue, because of the general lack of French public interest in French Union affairs and the fact that French conscripts cannot legally be utilized in Indochina. By the same token these considerations, especially in view of NATO and other French Union commitments, make it virtually impossible for the French to make any further appreciable increases in manpower for Indochina. Lastly, the most serious liability which Indochina represents is probably the fact that Indochina requirements considerably reduce French capabilities for maintaining a power position on the continent at least *equal* to that of Germany.

9. Whatever the relative merits of maintaining France's commitments in Indo-china, any French policy adopted will be modified by these facts: the increasing difficulties involved in attempting to maintain major military programs in both Europe and Indochina; the continuing lack of political dynamism and initiative in the Associated States; the inability of the armed forces of the Associated States actually to take over the burden of defense for a long period to come; French anxiety not to provoke Communist China to intervene in force anywhere in Southeast Asia or to take any step which might increase the risks of general war; and a French conviction that the Indochina problem can only be solved within the context of an overall political settlement in the Pacific.

10. We believe that in reconciling all the conflicting influences which bear upon its policy, France will pursue the following course of action in Indochina for the period of this estimate.

a. France will continue its war effort in Indochina, but will seek to maintain a holding action, both military and politically.

b. While adopting this static position and while awaiting an overall solution of Far Eastern problems, France will at the same time seek to "internationalize the war," i.e. bring it into a general Far East context in consultation with the US and the UK, for purposes of military planning, joint warning to the Chinese Communists against more active intervention, and ultimate negotiation of settlements.

c. France will in addition seek to reduce its own commitments by transferring a progressively larger part of the economic and military effort to

the US, and by developing native forces in Indochina that can eventually free French forces for duty elsewhere. The many shortcomings being met in the armed force programs of the Associated States will prevent the French from withdrawing any significant number of troops during the coming year.

d. We do not believe that the French envisage any outright withdrawal from Indochina unless US assistance falls far short of expectations. However, even under the most optimistic developments, we believe that the maximum long-range objective which the French probably now hope to attain in Indochina is a position from which a politically negotiated settlement can eventually be realized which will retain Indochina loosely in the French Union and maintain at least limited economic preferences for France in the area.

III. Viet Minh AND Chinese Communist Capabilities AND Courses of Action

11. Assuming a continuation of present Chinese Communist support, the Viet Minh will probably not be able to increase materially its strength or effectiveness during the coming year. The armed forces of the DRV will probably launch new frontal attacks on the French defense perimeter in Tonkin as soon as the present rainy season ends, but unless Chinese Communist troops move into Indochina in force, the Viet Minh will not be able to achieve a decisive victory in Tonkin or elsewhere in Indochina. The Viet Minh will probably be able to continue successfully their tactics of harassment, infiltration, terrorism and guerrilla warfare.

12. The Chinese Communists will probably be able during the coming year to continue improvement of transportation facilities and airfields in south China, to continue stockpiling along the Indochina border, and to increase their present level of logistic support for the Viet Minh. The Chinese Communists will almost certainly not be able, however, to provide the Viet Minh with sufficient logistic

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support to insure a decisive victory in Indochina. So long as the war in Korea continues, heavy commitments in Korea will probably prevent the Chinese Communists from materially increasing their technical advisory assistance to the Viet Minh. They will also probably not be able to increase their own present capability, independent of operations in Korea, to commit and support logistically 150,000 troops for an invasion of Indochina.

13. A Chinese force of 150,000, added to those of the Viet Minh, would probably be able to force French Union units to evacuate Tonkin before any effective assistance could be brought to bear. The Chinese Communists now have, and will continue to have during the coming year, sufficient air strength in jet and piston aircraft, independent of operations in Korea, to enable them to launch damaging attacks against French Union installations in Tonkin, and, with surprise, to neutralize the French Air Forces in Tonkin. There is no reliable evidence, however, that the Chinese Communists have yet begun the necessary preparations in south China to permit the commitment of the CCAR to operations in Indochina.

14. The Chinese Communists might risk invasion of Indochina during the coming year in any one of a number of circumstances: as a diversionary attack in the event of a global war or an expanded war in Korea; if Chinese Communist forces in Korea were made free for aggressions elsewhere in Asia as a consequence of a Korean cease-fire agreement; as a counter to an anticipated blow by the West and/or the Chinese Nationalists; or in the event that Communist leadership should decide that a potential shift in Western policies might create a serious threat to Communist China that could not be countered through present Communist strategy.

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given a continuance the premium
in Korea or the conclusion of a Cease-
fire agreement,

15. We believe, however, that regardless of possible developments in the
~~Korean war~~
will ~~not~~
the Chinese Communists ~~will~~ not invade Indochina during the coming

year. Although the Chinese Communists probably have the capability successfully to invade Indochina, present evidence does not indicate that such an invasion is imminent. Moreover, other considerations militate against a direct intervention by the Chinese Communists.

a. Present Communist strategy in Indochina, while not bringing immediate victory, appears nevertheless to be yielding considerable political success in both Indochina and the non-Communist world. At the same time this strategy is diverting badly-needed French and US power from Europe with relatively little cost to the Communists. Furthermore, present Communist policy may weaken the determination and ability of both the French and the Indochinese to ~~continue~~ resist, thus providing the Communists with an opportunity for aggravating differences among the Western powers.

b. Recent Western moves have probably made world Communist leadership aware that the West, and in particular the US, may expand the war in Asia to the Chinese mainland if Communist China should invade Indochina. Any such awareness is probably somewhat offset by Communist recognition of divided opinions in the non-Communist world as to the merits and timing of such retaliation. On balance, however, concern that the war in Asia might be expanded and that drastic retaliatory action might be taken against the mainland of China is probably sufficient to be a major factor dissuading the Chinese Communists from openly intervening in force in Indochina.

c. Despite the importance of Indochina to the Communists, it is unlikely

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that its present economic and strategic importance to Peiping and Moscow is great enough to dictate a large-scale Chinese Communist invasion with a possible risk of initiating general war.

16. We believe that the Chinese Communists will, short of open intervention continue to support the war effort of the DRV, thus exerting constant pressure against the Associated States. The Chinese Communists will also continue to commit technical and advisory personnel to the Viet Minh. They may commit small combat units to localized border actions and may introduce "volunteer" troops ^{in addition} elsewhere in Indochina. We estimate that the probable desire of the Chinese Communists not to provoke major Western counteraction against mainland China will, during the coming year, restrain them from committing "volunteers" in numbers that would assure a decisive military victory for the Viet Minh.

17. ~~IV. PROBABLE OUTLOOK~~ ^{in are unable to ext. what effect 16. exp. of the war could have on the war. & E. war. who have on CC situation of C. for}

18. Consequently, through mid-1953 the probable outlook in Indochina is for continued stalemate, with both sides in effect playing a waiting game. We believe that the French Union forces may make some light territorial gains, but will not score a decisive victory during this period.

19. The longer term outlook is for a continued overall stalemate, even though there may be some increase in the relative strength and effectiveness of the French Union forces. Unless present trends are reversed, this continued stalemate, together with the difficulties which France will continue to face in supporting major military efforts in both Europe and Indochina and which the Associated States will face in gaining political strength, will gradually weaken the French Union's ability and determination to continue resistance in Indochina.